

Industrial Relations **Czech Republic: Developments in working life 2018**

[Working life in 2018 – Annual review](#)

Author: Štěpánka Lehmann, Soňa Veverková, Renáta Kyzlinková, Aleš Kroupa and Petr Pojer (RILSA)

Research Manager: Christine Aumayr-Pintar, Eurofound

Eurofound reference number: WPEF19030

Related reports: EF19029 Working life in the EU 2018 – Annual review

© European Foundation for the Improvement of Living and Working Conditions (Eurofound), 2019

Reproduction is authorised provided the source is acknowledged.

For any use or reproduction of photos or other material that is not under the Eurofound copyright, permission must be sought directly from the copyright holders.

Any queries on copyright must be addressed in writing to: copyright@eurofound.europa.eu

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

European Foundation for the Improvement of Living and Working Conditions

Telephone: (+353 1) 204 31 00

Email: information@eurofound.europa.eu

Web: www.eurofound.europa.eu

Contents

Political context affecting working life aspects.....	2
Labour market reforms or major packages of working life regulations.....	2
Social partners' views and reactions on changes in governments and working life policies.....	2
Developments in industrial relations 2018.....	3
Changes affecting the national-level actors and institutions in 2018.....	3
Actors.....	3
Institutions.....	3
Changes affecting the sectoral and company level social dialogue 2018.....	3
Innovation in collective bargaining.....	3
National social dialogue in 2018 – Scope and Contribution.....	4
Selected major social dialogue debates.....	10
The End of Cheap Labour campaign continues and its aims have been expanded to include shorter working hours.....	10
Employers continue to suffer from labour shortages.....	10
Unilateral government actions – without social dialogue.....	10
Collective labour disputes in 2018.....	11
Changes in the regulation of collective labour disputes.....	11
Selected major labour disputes of national significance.....	11
Working time 2018.....	11
Changes in the regulation of working time 2018.....	11
Legislation on working time duration or organisation.....	11
Collective bargaining outcomes on working time duration or organisation.....	12
Major debates concerning working time duration or organisation.....	12
Other relevant information concerning working time.....	13
Health and well-being at work 2018.....	13
Physical working environment.....	13
Psychosocial working environment.....	13
Employment status 2018.....	14
Seasonal workers.....	14
Other contracts.....	14
References.....	15

Political context affecting working life aspects

On 27 June 2018, the Czech President, Miloš Zeman, approved for the second time a minority government led by Andrej Babiš (ANO 2011). This government emerged from the results of the general election held in October 2017 (the first minority government of Andrej Babiš formed following the October 2017 election was in power from 13 December 2017 to 27 June 2018 and, since it failed to win a vote of confidence from the Chamber of Deputies, was officially referred to as the government “in resignation”). The present government is made up of the ANO 2011 political movement (which received the most support in the general election) and the Czech Social Democratic Party.

The Government declares a positive attitude to social partners in its policy statement: ‘The Government will continue to work with social partners. We want to hear the views of business associations, as they often come up with rational opinions to improve the work of state bodies. Needless to say, employees and their trade unions are also a key partner for us because the points they raise provide important feedback for the actions taken by the Government’ (see Policy Statement of the Government of the Czech Republic, page 4). Thus, social dialogue between the government and the various social partners can be expected to continue to function as it did in previous years.

Labour market reforms or major packages of working life regulations

No major changes in the labour market reforms.

Social partners’ views and reactions on changes in governments and working life policies

The social partners are generally appreciative of the favourable conditions currently in place for social dialogue and their relationship with the government, even though their proposals are not always implemented.

The trade unions in particular are appreciative of the fact that ‘the government thinks not only about the development of the economy of the Czech state, but also about the basic needs of our citizens’ (Odbory.info, 2018). In addition, according to the Czech-Moravian Confederation of Trade Unions (ČMKOS), the positive attitude of the current government to social dialogue has also influenced collective bargaining, concerning which employers are more inclined to accept social dialogue and accept the trade unions as negotiating partners (ČMKOS, 2018). At the same time, however, the trade unions are dissatisfied with the length of time taken to agree wage increases for public sector employees, especially in the health and education sectors.

Employers are more critical of the approach of the present government - the Confederation of Industry (SP ČR) is in favour of salary increases for teachers, support for research, the development of innovation and investment in infrastructure, as well as the fact that the government is focusing on making operational savings by terminating long-term unoccupied administrative job positions. At the same time, it continues to draw attention to the persisting shortage of labour which is slowing down the development of the Czech economy and which has not been satisfactorily resolved via immigration. In addition, the SP ČR is calling for reforms to the education system that favour technical subjects, the adoption of the euro common currency and a reduction in the administrative burden for entrepreneurs (Řezníčková, 2018b, Dudková, 2018).

Developments in industrial relations 2018

Changes affecting the national-level actors and institutions in 2018

Actors

The largest Czech trade union confederation, ČMKOS, decided to accept a new member - the Railways Alliance (Alianci drážního provozu - ADP) with 2,741 members (from 1 October 2018). The ADP associates employees of the National Railway Infrastructure Administration Company (SŽDC). The total number of ČMKOS members now stands at 30. Representativeness. There were no major changes in the way in which representativeness of social partners is regulated or assessed.

Institutions

There were no major legislative or institutional changes to the main social dialogue institutions.

Changes affecting the sectoral and company level social dialogue 2018

Social dialogue at both the sectoral and company levels was influenced principally by continued economic growth and the accompanying labour shortage. These factors, according to ČMKOS, have positively influenced both the course and the results of the collective bargaining process. Most higher-level and company-level collective agreements included wage increases corresponding to the target set by ČMKOS for 2018 of 8% - 10%, although wage growth was lower in certain sectors (hospitality, timber, water supply, health, education).

Innovation in collective bargaining

With respect to collective bargaining objectives in 2019 concerning the areas of the reconciliation of professional, private and family life and equal treatment, ČMKOS recommends its members to negotiate (or create negotiating conditions for the agreement of) shorter working hours without reductions in wages. These recommendations are related to the ČMKOS End of Cheap Labour campaign (see below) which includes a push for shorter working hours without corresponding wage decreases.

National social dialogue in 2018 – Scope and Contribution

Theme	Description of issue	Social dialogue interaction	Social dialogue outcome and/or output
Employment - Labour shortages	The Czech economy continues to face a shortage of available labour. A solution involving the recruitment of Ukrainian workers (see Czech Republic: Developments in working life 2017) has not been particularly successful and employers are calling for the introduction of further measures.	The SP ČR submitted a letter to the Prime Minister, Andrej Babiš, stating that its members need to recruit 50,000 foreign workers (especially Ukrainians and Serbs, who do not suffer from the language barrier to the same extent as workers from other countries, see below) to cover the ongoing labour shortage and that the need remains to speed up the immigration process (Dudková, 2018). This concerns the recruitment of professional workers and craftsmen and not unskilled workers willing to work for low wages.	In reaction to the Czech labour market situation, the capacity of the so-called Ukraine Scheme was expanded and similar schemes approved for workers from other countries on 31 January 2018. The new schemes were aimed at those countries whose workforces have been targeted for several years by Czech employers, i.e. India, Mongolia, the Philippines and Serbia. The schemes are intended for the targeting and selective acceptance and processing of employment applications from qualified professionals from the above countries.
Skills - Vocational training	<p>The increased involvement of employers in vocational training at secondary schools continues to form the subject of public debate. More specific developments with concern to the support of dual education followed the signing of the National Agreement on the Development of Human Resources in September 2015. The National Agreement was initiated by the Confederation of Industry of the Czech Republic (SP ČR) and the Czech-Moravian Confederation of Trade Unions. The agreement was signed by representatives both of these institutions and the government. The aim of the National Agreement is to contribute through the various measures proposed in selected areas to ensuring the supply of sufficient numbers of people with the necessary skills (i.e. with the relevant competencies, well prepared and in the necessary numbers and structure) to the labour market. The way in which this objective will be achieved is through cooperation between representatives of employers, employees, state administration bodies, local government authorities and the relevant interest groups.</p> <p>In the same year 2015, the outputs of the POSPOLU project, prepared by the Ministry of Education, Youth and Sports (MŠMT) in collaboration with employer associations, which focused on the design of a new model for vocational training, were published. In September 2018, a pilot project on dual education in the Moravian-Silesian region was concluded and the selected schools introduced educational programmes built on the principle of dual education at the beginning of the 2018/2019 school year. The pilot project was coordinated, and its application in practice continues to be overseen, by the SP ČR in cooperation with the MŠMT and the Moravian-Silesian region. It is planned that the project will be expanded in 2019 to include the strengthening of links between vocational schools and actual practice and its application in other</p>	In September 2018, tripartite meeting was held between the Council of Economic and Social Agreement of the Czech Republic and regional tripartite representatives. The issue of the introduction of dual education into practice constituted one of the key points of the agenda.	The aim of support and the introduction of dual education system is to address the problem of lack of particular professional qualifications in the labour market. All stakeholders involved are convinced that there is a need to increase participation of social partners, especially employers and companies, in vocational training within formal secondary education. The education and subsequent employment of graduates in the labour market is a common concern of all. Indeed, it is absolutely necessary to deal with education and its individual parts through central regulation, which includes both framework programs and regulated access of students to particular schools. Robert Plaga, Minister of Education, Youth and Sports, was delegated the duty to process comprehensive material on the possibilities of solving dual education.

Theme	Description of issue	Social dialogue interaction	Social dialogue outcome and/or output
	regions of the Czech Republic. However, the social partners involved are aware that the implementation of cooperation between vocational schools and companies needs to be addressed systemically and, therefore, the issue has been discussed in the context of the tripartite at the national level. It is clear that, to date, the promotion of dual education has been based solely on the enthusiasm of certain employers and their active approach to the issue.		
<i>Benefits - Reform of sick-leave</i>	The Social Democrats have enforced the abolition of the three-day initial unpaid sick leave period in the policy statement of the new government (Government of the Czech Republic, 2018). They have done so in line with trade unions that have demanded its abolition since 2008 when it was introduced. The issue has triggered a stormy debate as employers and most right-wing parties disagree with its abolition.	The issue was repeatedly discussed at tripartite level. The Social Democrats made their participation in the government conditional on, among other things, the abolition of the three-day initial unpaid sick leave period. Thus, following the establishment of a new government, in which the Social Democrats are a coalition partner, the abolition of the unpaid sick leave period became part of the government's program statement.	The Social Democrats proposed an amendment to the Labour Code, which should abolish the unpaid sick leave period. According to the proposal, employees should receive 60% of the basis of assessment in the first three days, with the cost borne by the employers. As compensation, the sickness insurance premium paid by the employers should be reduced by 0.2 percentage points. The proposal was approved by the Chamber of Deputies but rejected by the Senate. The upper chamber's veto may be again outvoted by the Chamber of Deputies (see Czech Republic: Latest Developments in Working Life - Q4 2018).
<i>Taxation - Change of taxation</i>	In its policy statement, the government has pledged to reduce the tax burden, abolish the so-called 'super-gross wage' used to determine personal income tax, and propose a new reduced rate amounting to 19% of the gross wage. The existing solidarity-based tax surcharge should be maintained by introducing a rate of 23% of the gross wage. In addition, entrepreneurs should be enabled to deduct three-quarters of the insurance contributions they make in relation to their self-employment activities from the taxable income generated by such activities (Government of the Czech Republic, 2018). Trade unions have criticised the proposal; they are dissatisfied with the planned tax set-up after the abolition of the super-gross wage.	The governmental policy statement was discussed within the tripartite. The social partners comment on it continuously and beyond the formal framework of the tripartite as well.	The Ministry of Finance was to submit a proposal to change the tax system according to the above-mentioned plan, but eventually dropped from it. As stated in the settlement of the comments on the tax package, the abolition of the concept of super-gross wage and the adjustment of the uniform rate of personal income tax has been suspended for the time being.

Theme	Description of issue	Social dialogue interaction	Social dialogue outcome and/or output
<i>Pension reforms - Broader package of pension reform</i>	<p>Pension reform is the first of six core strategic tenets of the government's policy statement. The essence of the reform should be in particular an uncoupling of the pension account from the state budget and establishing clear financial relations both between them and with any other sources of income for the pension account. The government also pledged to increase the basic pension assessment rate to 10% of the average wage and to add CZK 1,000 (€ 39 as of 23 January 2019) to the pensions of those who have reached the age of 85. It also promises to introduce early retirement for employees working in physically demanding professions (Government of the Czech Republic, 2018).</p> <p>Trade unions have a number of reservations about the program statement. They are, for example, against the intention to separate the pensions account from the state budget. The so-called pension account, which is now not separate from the budget, was in deficit between 2009 and 2016. Lacking financial means for pensions are in such cases provided by the state budget. Although the system got to a slight surplus in 2017, due to high employment and growth in earnings, unions fear that after the separation of the account, pension funds could fall short. On the other side, unions and employers concur with the government in that a legal framework to enable employees to retire earlier in physically demanding and risky professions are needed (Confederation of Industry of the Czech Republic, 2018).</p>	<p>The governmental policy statement was discussed both within the tripartite and beyond the formal framework of the tripartite. The adjustment of early retirement for physically demanding and risky professions is part of the programme statements of the main social partners (ČMKOS and SP ČR) and had been discussed already in the past. Employers also stress the need to accomplish the pension reform.</p>	<p>An increase in the basic pension assessment rate and in the pensions of those who have reached the age of 85 was implemented by the approval of Act No. 191/2018 Coll., which came into force on 1 January 2019 (Ministry of Labour and Social Affairs, 2018b). Further reform steps are likely to be prepared during the whole electoral period. It might be assumed that, in particular, the proposal to separate the pension account from the state budget will trigger stormy debates at the tripartite level.</p>
<i>Wage setting - Minimum wage setting</i>	<p>The new government promised in their policy statement (Government of the Czech Republic, 2018) to set up rules to raise minimum wages so that growth is predictable. It is supposed to be introduced to the Labour Code as a part of a more substantial amendment, which is foreseen in 2019. The governmental proposal counts with an increase that would equal the minimum wage to 50% of the average wage from the year before last as of 2020. Though employers have long demanded a predictable mechanism for raising the minimum wage, they fundamentally disagree with the proposed coefficient level and would prefer 40% instead.</p>	<p>The issue had been repeatedly discussed and negotiated at the tripartite level and consulted with the Ministry of Labour and Social Affairs (MoLSA), which is in charge of labour-related legislation.</p>	<p>The MoLSA decided unilaterally on the minimum wage increase mechanism and prepared a proposal that should be implemented as a part of a larger amendment to the Labour Code. However, the issue will be still discussed at the tripartite level, due to a fundamental disagreement of employers. Trade unions prefer reaching a consensus with the employers.</p>

Theme	Description of issue	Social dialogue interaction	Social dialogue outcome and/or output
Working time - Working hour reduction	<p>ČMKOS continues its “End of Cheap Labour” (Konec levné práce) campaign which aims to attract attention to the fact that, according to ČMKOS, Czech employees are amongst the lowest paid employees in the EU. ČMKOS has recently extended the campaign to demand a reduction in working hours (from 40 to 37.5 hours per week) without a corresponding decrease in wages.</p>	<p>The long-term ČMKOS campaign traditionally includes a public event which is held every September.</p>	<p>The campaign to reduce working hours commenced in 2018 and the result is not yet known. According to ČMKOS a reduction in working hours was agreed in 40% of company-level collective agreements in 2018 compared to 42.9% of such agreements in 2017.</p>
10a-Work-life balance - Family leave	<p>Several pro-family measures came into effect in 2018 aimed at enhancing the harmonisation of work and family life. At present, according to Act No. 117/1995 Coll., on state social support, it is possible to claim a total amount of CZK 220,000 (approx. EUR 8,600) for caring for a child under the age of four years (the parental allowance).</p> <p>The maximum monthly limit set for receiving this benefit was previously CZK 11,500 (approx. EUR 446), which meant that the minimum time over which the benefit could be claimed was approximately up to the child reaching two years of age. However, this limit was abolished as of 1 January 2018 and the claiming parent is now entitled to claim a monthly payment of up to the amount of the maternity benefit (paid as a health insurance benefit for the first 28 weeks). The maximum amount of the maternity benefit is CZK 36,750 (approx. EUR 1,424). The change will enable parents (especially women) who wish to return to work quickly following childbirth to claim the full amount of the parental allowance. In addition, according to a recent Cabinet decision, the amount of the parental allowance will be increased to CZK 300,000 (approximately EUR 11,628) from 2020 (Ministry of Labour and Social Affairs, 2018b).</p>	<p>Social partners were approached concerning the proposed legislative changes as part of the comments procedure. The public debate was particularly intense in the case of the new paternal postnatal care benefit (see section ‘Legislation on working time duration or organisation’), which was perceived by some as a risky and populist measure particularly by employers.</p>	<p>The measures came into force in early 2018. Given the short period of time since their introduction, it is not yet possible to predict the effects of these measures, i.e. how many parents significantly shortened the period of claiming the parental allowance or how many fathers claimed the one-week paternal postnatal care benefit.</p>

Theme	Description of issue	Social dialogue interaction	Social dialogue outcome and/or output
Work-life balance - Family leave	In January 2019, the Minister of Labour and Social Affairs Jana Maláčová introduced the so-called “pro-family package” which included besides a substantial increase in the parental allowance as of 1 January 2020 the legislative modification of job sharing which is currently lacking in Czech legislation. While the form of the legislative regulation of this type of work remains unclear, given that this change forms part of the government’s programme statement, it is likely that the change in legislation will take place as part of a comprehensive amendment to the Labour Code (Act 262/2006 Coll.) which is currently being prepared by the Ministry of Labour and Social Affairs (MoLSA). According to the MoLSA, job sharing includes a family policy trend element and it sees its role in assisting persons who, for whatever reason, do not wish to work full time (parents, students, those caring for a family member, etc.). See also section Employment status 2018 - ‘Other contracts’.	Social partners are submitting their views via the comments procedure. The topic of job sharing has also been discussed by the national tripartite and is the subject of public debate in the media.	According to the MoLSA, the draft legislation aims to increase the flexibility of labour relations, thus enhancing the potential for the harmonisation of family and working life. The measures should make it easier for parents with small children to return to work and also help seniors and disabled persons to secure part-time employment positions. Employers, in particular, have been keen to point out that the current form of the draft proposal is limiting in terms of the potential to increase the working hours of shared job positions; moreover, they are concerned about the proposed very short notice period.
Other -	Many controversies arose around the growth of salaries in the public sector. Whereas trade unions promoted a 10% increase in salary tariffs for all public sector employees, the government proposed raising salaries by 6% and tariffs by 2%, with salaries of teachers and less paid professions growing more significantly. In August 2018, the Trade Union of Health and Social Care Services of the Czech Republic (Odborový svaz zdravotnictví a sociální péče ČR) announced a strike alert in an effort to persuade the government to comply with the previously given promise of a flat 10% increase in health care salaries from 2019 onwards.	Trade unions negotiated the salary increases with the government, using also a strike alert to increase pressure on the government.	After long negotiations with trade unions, the government has agreed that salaries for public sector employees will grow by an average of 8% in 2019, with lowest salaries growing more considerably. Fast growth of salaries in last two years has been criticized by employers who complain that Czech companies are in a difficult position to compete with the disproportionate increase in salaries in the state administration.
Terms and conditions of employment - Transparent and predictable working conditions	Employers' representatives, headed by the Confederation of Industry of the Czech Republic (SP ČR), have fundamentally rejected the rules set down by the proposal for a Directive of the European Parliament and of the Council on transparent and predictable working conditions in the EU, which tightens the conditions for casual work and new and non-standard forms of employment. It is conceived as a revision of the Written Statement Directive. Employers have been fundamentally against the revision of the directive since the beginning of the process. They estimate that the new directive violates the principles of subsidiarity (e.g. with regard to the uniform definition of a worker and to the setting of a uniform maximum length for the trial period), increases the administrative burden and reduces the flexibility of new types of working relationships.	As a member of BusinessEurope, the SP ČR actively participates in the steps that should lead to a change of the text of the proposal or at least to limit its hardest impacts.	The issue of the new directive has not yet been widely debated at the bipartite level as the trade unions do not appear to be particularly interested in it. However, the proposal for the Directive is planned be one of the main topics of the social dialogue in 2019.

Theme	Description of issue	Social dialogue interaction	Social dialogue outcome and/or output
<i>Health - Accidents at work</i>	The Ministry of Labour and Social Affairs (MoLSA) prepared a proposal for an amendment to the Labour Code in 2018, which should - among other things -increase the compensation for survivors (spouse, registered partner and unprovided child) in case of death due to an accident at work. Whereas the MoLSA suggests an increase from the current CZK 240,000 (€ 9,371 as of 23 January 2019) to CZK 340,000 (€ 13,276 as of 23 January 2019), trade unions propose an increase to CZK 600,000 (€ 23,428 as of 23 January 2019) and employers even more, i.e. to CZK 720,000 (€ 28,114 as of 23 January 2019). Unions further demand that they have the possibility to prohibit further work in the event of an imminent threat to the life or health of employees. Trade unions have had this competence until 2008 before the Constitutional Court abolished it. However, both MoLSA and employers reject the restitution of this measure.	The proposal for the amendment was generally repeatedly discussed with social partners in the framework of the tripartite.	The proposal undergoes the legislative process and will be still discussed in 2019 in the government, the Parliament and at the tripartite level. Trade unionists represented by ČMKOS hope that the proposal will be adjusted, given that employers and trade unions are in agreement over the need to increase the compensation more considerably.

No major social dialogue debates were held on the following themes: Health, safety and well-being at work; Pension reforms; Terms and conditions of employment.

Selected major social dialogue debates

The End of Cheap Labour campaign continues and its aims have been expanded to include shorter working hours

ČMKOS continued its “End of Cheap Labour” campaign during the year. The campaign was launched in September 2015 and aims to highlight the fact that Czech employees are, according to ČMKOS, amongst the lowest paid employees in the EU.

As part of the campaign, a meeting was held on 11 September 2018 attended by 1,300 trade unionists. The chairman of ČMKOS, Josef Středula, has stated that with concern to the negotiation of wage growth for 2019, the unions recommend that wages be increased by between 7% and 9% (lower than in 2018, when the required increase in wages was 8–10 %) taking into account the specific economic situation of the employer. This recommendation also appeared in ČMKOS (2018a) as one of the objectives of collective bargaining for 2019. In addition to wage increases, ČMKOS is also calling for a reduction in working hours (from 40 hours to 37.5 hours per week without a corresponding reduction in wages), the cancellation of the sickness waiting period (the first three days of employee sick leave, for which employees currently receive no financial support) and 5 weeks of holiday entitlement for all employees (Act No. 262/2006 Coll., the Labour Code currently provides for a minimum length of holiday leave of 4 weeks; in fact, 76.7% of company-level collective agreements already include a minimum holiday entitlement of 5 weeks).

Employers disagree with the demanded increase in wages and the proposal for shorter working hours. Jaroslav Hanák, the president of the SP ČR, argued that with the current shortfall of 310,000 people in the labour market, the introduction of shorter working hours even if it was reflected in the amount of wages would exert a severe negative impact on the productivity of Czech firms. He further stated that the idea put forward by ČMKOS concerning a reduction in working hours was irresponsible. The SP ČR also added that demanding wage increases that, in its view, outstrip increases in company productivity is a dangerous development (Řezníčková, 2018a).

Employers continue to suffer from labour shortages

Employers in the Czech Republic have been experiencing labour shortages for the last three years. The unemployment rate stood at a mere 2.3% in Q3 of 2018 (source: Czech Statistical Office). According to the SP ČR, the only solution is to import labour from abroad. Following the relative lack of success of the Ukraine Scheme, the government decided to pursue the recruitment of workers from other countries – Mongolia, the Philippines, India and Serbia. At the same time, it also increased the capacity of the Ukraine Scheme (see Czech Republic: Developments in working life 2017), thus enabling employers to apply for the employment of additional workers from Ukraine as well as from the other countries listed above. The scheme applies only to qualified workers such as warehouse managers, assemblers, welders, seamstresses, nursing staff, etc., with quotas imposed for the recruitment of workers for each country. While the conditions for the admission of workers from these countries differ, in general the scheme is intended only for direct employers that have operated in the Czech Republic for at least two years in the fields of manufacturing, services or the public sector. At the same time, the employer must have no obligations towards the state, must have been unable to fill the vacant job positions from the Czech labour market over the long term and must employ a certain minimum number of employees (which varies according to the country of origin - the employer must employ at least 5 employees from India, 10 from Serbia etc.) (Ministry of Industry and Trade, 2018a, 2018b and 2018c).

Unilateral government actions – without social dialogue

There were no major examples or cases.

Collective labour disputes in 2018

Changes in the regulation of collective labour disputes

There were no significant changes in the regulation of collective disputes in 2018.

There is no legally defined reporting service in this area. These activities by the social partners have not been centrally monitored since the mid-1990s. The only available data are for Czech-Moravian Confederation of Trade Unions (Českomoravská konfederace odborových svazů, ČMKOS) members only.

In 2018 no strike was announced when concluding higher or company-level collective agreement (according to the Czech law, strike is legal only if concerns of negotiation and conclusion of a collective agreement only, no matter if higher-level or company-level).

In general, strikes are rare in the Czech Republic. Strike alerts (which are, however, not defined by Czech law) are more common. In 2018, one strike alert in terms of concluding of higher-level collective agreement and 10 strike alerts in terms of concluding of company-level collective agreements were issued. In most cases, demand on wage increase was the reason.

Selected major labour disputes of national significance

Although the economic situation in the Czech Republic was very favourable in 2018 and, in general, wages increased, a number of labour disputes were recorded in some sectors and firms, none of which, however, were of national importance. The most significant protest concerned a strike alert called on 17 August 2018 by the Trade Union of Health Service and Social Care in the Czech Republic, OSZSP as a consequence of a breakdown in negotiations on remuneration increases which had been demanded by the OSZSP since 2017. The OSZSP demanded an increase in wage tariffs of 10% from 1 January 2019. Finally, the government promised an average 8% wage increase in the health care sector from 1 January 2019.

Working time 2018

Changes in the regulation of working time 2018

Legislation on working time duration or organisation

No legislative changes relating to working time were adopted in 2018 but two measures, resulting from changes that took place in 2017, came into effect. With effect from 1 February 2018, fathers of new-born children have the option to take weekly paternity leave after the birth of their child, receiving so-called paternal postnatal care allowance. For one week, the father of the child receives 70% of his basis of assessment from the sickness insurance scheme. The leave might be taken within six weeks from the date of birth of the child and cannot be interrupted. The aim of the paternity leave is to allow fathers to take part in the care of a new-born child, while helping the mother of the child in the difficult period shortly after giving birth (see Act No. 187/2006 Coll., on sickness insurance).

In addition, since 1 June 2018, it is possible to claim paid leave for up to 90 days in situations in which it is necessary to provide all-day long-term care (at least 30 days) for a family member. Compensation for the loss of income from gainful activity during the leave is awarded to caregivers from the sickness insurance scheme in the amount of 60% of the daily assessment base. During the period of care, it is not possible for the employer to issue the employees with a notice to quit and, following the conclusion of the care period, the employee is entitled to return to the original employment position. The employer might refuse the granting of such a care period only in the case of serious operational reasons and following communication in writing. In all other cases, the employer is obliged to provide the leave. On the other hand, the employee who takes the leave is not entitled to perform any

gainful activity during the leave (see Act No. 187/2006 Coll., on sickness insurance, and Act No. 262/2006 Coll., the Labour Code).

During 2018, a new proposal for a substantial amendment to the Labour Code was prepared by the Ministry of Labour and Social Affairs (MoLSA) and submitted to the Parliament. It includes changes to working time arrangements, among other things changes in the concept for the calculation of annual leave entitlement and in rules for its transfer to the following year. According to the proposal, the entitlement to annual leave should be calculated according to weekly hours worked (and not days as is currently valid) by the employee. This should be a fairer system, in particular for those employees who work unevenly scheduled working hours. MoLSA further suggests that employees who have in their employment contract guaranteed annual leave longer than the statutory four weeks may transfer the additional leave (e.g. the fifth week) to the next year. Both employer representatives and trade unions agree with these two changes. The proposal further suggests the same conditions for employees and workers employed based on out-of-employment contracts in such areas as the record keeping of hours worked and rest periods. In addition, if the employee and the employer agree on a shorter than two-week notification period on the shift schedule, this period should not be newly shorter than two days. The bill should go through the legislative process in 2019.

Collective bargaining outcomes on working time duration or organisation

There were no relevant collective bargaining outcomes at national or sectoral level. However, according to the Information on Working Conditions survey, analysing data on mostly company-level collective agreements, specific length of working hours was agreed in 92.4% of corporate area collective agreements in 2018. Average working week agreed amounted to 38 hours, shortest being agreed working hours in more-shift regimes. Not less than 87.4% of corporate area CAs included increase in holiday entitlement and 76.7% of CAs extended the annual leave by one week (see Ministry of Labour and Social Affairs, 2018a). Working time issues are not a subject of collective bargaining in the public sector.

Major debates concerning working time duration or organisation

The main debate concerning working time focused on the new claim by trade unions for shorter working week without a wage reduction. According to the Czech-Moravian Confederation of Trade Unions (ČMKOS) the working week should be reduced from 40 to 37.5 hours (cf. section 7 in ‘National social dialogue in 2018’ and ‘Major social dialogue debate 1’). Trade unions, which currently hold strong negotiating power, want to enforce shorter working week in the four following years and suppose that it will be largely negotiated in company collective agreements already in 2019. They argue that working hours have been already reduced in 77% of companies with operating trade unions and that such measure would support employment after the arrival of Industry 4.0. Employers' representatives oppose this proposal due to labour shortages and unpreparedness of domestic firms with respect to technologies. They emphasize that working hours may be shortened only after the labour productivity will have increased. The Prime Minister Andrej Babiš (ANO 2011) believes that shorter working hours are not yet on the agenda due to the reasons outlined by employers, although he does not exclude this possibility in the future. In any case, he doesn't deem the issue to be relevant for this electoral term.

In addition, trade unions have renewed their request for an increase in the statutory annual leave from four to five weeks. In the previous electoral term they didn't succeed in enforcing such change. The request is supported by the Ministry of Labour and Social Affairs (Ministry of Labour and Social Affairs, 2018c) and generally by Social Democrats but other governmental bodies as well as employers are not in favour of this proposal. In view of conflicting opinions of individual stakeholders and some shortcomings of the proposal prepared by a group of deputies, the government took a neutral position on the suggestion. However, the issue is supposed to be further discussed and negotiated in 2019.

Other relevant information concerning working time

Labour force shortages result among other things in employers being forced to offer flexible forms of employment, including part-time jobs. According to the Labour Force Survey, the proportion of workers working part time has been continually increasing since 2015 and in 2018 reached 6.3%, the highest rate over last 20 years. Part-time jobs have been increasingly performed in particular by workers aged 65+.

Health and well-being at work 2018

Physical working environment

Two governmental regulations concerning health and safety at work were passed in 2018. Government Decree No. 246/2018 Coll., which entered into force in on 29 October 2018, changes the conditions of health protection in work, specifically the limits of exposition to the chemicals at the workplace. The regulation harmonises the Czech health and safety related legislation with Commission Directive (EU) 2017/164, which sets these limits down. Government Decree No. 321/2018 Coll., which entered into force as of 1 January 2019, has increased the compensation for the loss of earnings after the termination of incapacity for work resulting from a work accident or occupational disease and the subsistence allowance for survivors. In principle, the increase of these compensations occurs on a regular basis, depending on the percentage increase in pensions (Ministry of Labour and Social Affairs, 2018b and 2018d).

Psychosocial working environment

In 2018, Government Decree No. 263/2018 Coll., which introduces changes in the remuneration of employees in public services and administration and civil servants, was passed. Besides adjusting the salary scales of different groups of employees paid from the state budget, the regulation also increases the so-called special supplementary charge granted in five groups according to the degree of burdens imposed by the working conditions. In addition, the amendment takes more account of the intensity of the neuropsychological burden associated with the provision of health services, and therefore transfers a number of occupations in health and social care services (in particular provision of emergency and intensive continuous medical and attendance care) from group II with a lower neuropsychological burden into group IV, defined as working with the highest degree of neuropsychological burden and working with a high risk for health and life. This allows the relevant workers to receive higher supplementary charges. The change came into force on 1 January 2019 (Rothová and Tomší, 2019).

Employment status 2018

No major changes in 2018 for: 'Standard' employment contracts; Self-employed; Fixed term contracts; Temporary agency workers; Posted workers and Zero hour contracts.

Seasonal workers

The forthcoming major amendment to the Labour Code (Act No. 262/2006 Coll.), currently undergoing the legislative process, envisages, among other things, adjustments concerning agreements on work performed outside an employment relationship, i.e. agreements to complete a job and agreements to perform work. The new arrangements should guarantee workers employed based on these agreements the same conditions as to those in standard employment relationship in the area of recording of working hours, rest periods and guaranteed wages.

In addition, it is envisaged to raise the limit for social and health insurance contributions for agreements to complete a job from CZK 10,000 (€ 391 as of 16 January 2019) to CZK 11,500 (€ 450 as of 16 January 2019). The new boundary was designed to reflect the inflation since 2011, when the current boundary was set.

The bill should go through the legislative process in 2019.

Other contracts

A substantial amendment to the Labour Code that was submitted to the Parliament by the Ministry of Labour and Social Affairs and is currently undergoing the legislative process should among others legally establish the institute of job-sharing. The Government promised the concept to be incorporated into the Labour Code in their policy statement (Government of the Czech Republic, 2018). The purpose of this measure should be to enhance flexibility, promote the reconciliation of work and family life of employees and increase the employment (in particular but not only) of two groups of population with the lowest employment rates: mothers with children up to the age of six and those aged over 50. According to the proposal, the sum of the agreed shorter working hours of all employees in the shared position must not exceed the statutory weekly working hours according to Section 79 of the Labour Code ([Act No. 262/2006 Coll.](#)). Employers generally support the concept of job sharing as a form of flexible employment, but do not consider specific legislation to be necessary. They fundamentally disagree with the specific conditions stipulated by the proposal. For example, they do not agree that the sum of working hours of employees who share the given job must not exceed the statutory weekly working time. They argue that if the proposal did not contain this restriction, companies could deal with more personal problems by job-sharing (Dudková, 2019). The bill should go through the legislative process in 2019.

References

Confederation of Industry of the Czech Republic (2018), [Programové prohlášení Svazu průmyslu a dopravy ČR 2018/2019](#) [Programme statement of the Confederation of Industry of the Czech Republic 2018/2019], Prague.

ČMKOS (2018), *Zpráva o průběhu kolektivního vyjednávání na vyšším stupni a na podnikové úrovni v roce 2018* [Progress report on higher-level and company-level collective bargaining in 2018], Prague.

Dudková, L. (2018), [Vláda musí zlepšit trh práce, rozjet digitalizaci, reformovat školství](#) [The government must improve the labour market, launch digitalization, reform educational system], press release SP ČR, Prague, 1 October.

Dudková, L. (2019), [O zákoníku práce se rozhodne do konce února](#) [The decision on the Labour Code will be taken by end of February], press release SP ČR, Prague, 4 January.

Government of the Czech Republic (2018), [Policy Statement of the Government of the Czech Republic](#), Prague.

Mendlová, I. (2019), ‘(Ne)zaměstnanost v době „blahobytu“ [(Un)employment in the time of “prosperity”]’, *Statistika & my*, Vol. 9, No. 1, pp. 32-33.

Ministry of Labour and Social Affairs (2017), [Information on Working Conditions negotiated in collective agreements 2017](#), Prague.

Ministry of Labour and Social Affairs (2018a), [Information on Working Conditions negotiated in collective agreements 2018](#), Prague.

Ministry of Labour and Social Affairs (2018b), [Co se mění v roce 2019? Novinky Ministerstva práce a sociálních věcí](#) [What changes in 2019? News of the Ministry of Labour and Social Affairs], press release, Prague, 14 December.

Ministry of Labour and Social Affairs (2018c), [MPSV je pro zavedení 5 týdnů dovolené. Češi pracují příliš mnoho hodin](#) [MoLSA supports the introduction of five-week annual leave. Czechs work too many hours], press release, Prague, 3 December.

Ministry of Labour and Social Affairs (2018d), [Vláda od ledna zvýší náhrady za pracovní úraz a nemoc z povolání](#) [Government will increase the compensations for work-related injury and occupational diseases as of January], press release, Prague, 3 December.

Ministry of Industry and Trade (2018a). *Režim ostatní státy - ekonomická migrace* [Other states regime – economic migration], web page, available at <https://www.mpo.cz/cz/zahranicni-obchod/ekonomicka-migrace/rezim-ostatni-staty---ekonomicka-migrace--235549/>, 16 March.

Ministry of Industry and Trade (2018b). *Rozšíření Pilotního projektu Ukrajina pro vysoce kvalifikované zaměstnance o Indii* [Extension of the Pilot project Ukraine for highly qualified employees by India], web page, available at <https://www.mpo.cz/cz/zahranicni-obchod/ekonomicka-migrace/rozsireni-pilotniho-projektu-ukrajina-pro-vysoce-kvalifikovane-zamestnance-o-indii--240111/>, 18 September.

Ministry of Industry and Trade (2018c). *Režim ostatní státy (Srbsko)* [Other states regime (Serbia)], web page, available at <https://www.mpo.cz/cz/zahranicni-obchod/ekonomicka-migrace/rezim-ostatni-staty-srbsko--239091/>, 27 July.

Odbory.info (2018), *Současná vláda myslí nejen na rozvoj ekonomiky českého státu, ale i na zajištění základních potřeb našich občanů!* [Current government considers not only the economic development of the Czech state but also securing basic needs of our citizens], web page, available at <https://www.odborny.info/obsah/5/soucasna-vlada-mysli-nejen-na-rozvoj-ekonomiky-ceskeho-statu/23574>, 14 December.

Rothová, E., Tomší, I. (2019), 'Změny v odměňování zaměstnanců a státních zaměstnanců v roce 2019 [Changes in remuneration of employees and civil servants in 2019]', *Práce a mzda*, Vol. 67, No. 1, pp. 26-32.

Řezníčková, T. (2018a), [J. Hanák: Na zkracování pracovního týdne ještě není správný čas](#) [J. Hanák: The right time to shorten working week has not come yet], press release SP ČR, Prague, 11 September.

Řezníčková, T. (2018b), [SP ČR na tripartitě ke státnímu rozpočtu](#) [Confederation of Industry comments on the state budget within tripartite], press release SP ČR, Prague, 14 September.

WPEF19030

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.